

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1709
96TH GENERAL ASSEMBLY

5507H.04C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto five new sections relating to tax incentives for business development.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto five new sections, to be
2 known as sections 620.2000, 620.2005, 620.2010, 620.2015, and 620.2020, to read as follows:

620.2000. Sections 620.2000 to 620.2020 shall be known and may be cited as the
2 **"Missouri Works Program".**

620.2005. As used in sections 620.2000 to 620.2020, the following terms mean:

2 **(1) "Average wage", the new payroll divided by the number of new jobs, or the**
3 **payroll of the retained jobs divided by the number of retained jobs;**

4 **(2) "Commencement of operations", the starting date for the qualified company's**
5 **first new employee, which shall be no later than twelve months from the date of the**
6 **approval;**

7 **(3) "County average wage", the average wages in each county as determined by the**
8 **department for the most recently completed full calendar year. However, if the computed**
9 **county average wage is above the statewide average wage, the statewide average wage shall**
10 **be deemed the county average wage for such county for the purpose of determining**
11 **eligibility. The department shall publish the county average wage for each county at least**
12 **annually. Notwithstanding the provisions of this subdivision to the contrary, for any**
13 **qualified company that in conjunction with their project is relocating employees from a**
14 **Missouri county with a higher county average wage, the company shall obtain the**
15 **endorsement of the governing body of the community from which jobs are being relocated**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 or the county average wage for their project shall be the county average wage for the
17 county from which the employees are being relocated;

18 (4) "Department", the Missouri department of economic development;

19 (5) "Director", the director of the department of economic development;

20 (6) "Employee", a person employed by a qualified company;

21 (7) "Existing Missouri business", a qualified company that, for the ten-year period
22 preceding submission of a notice of intent to the department, had a physical location in
23 Missouri and full-time employees who routinely perform job duties within Missouri;

24 (8) "Full-time employee", an employee of the qualified company that is scheduled
25 to work an average of at least thirty-five hours per week for a twelve-month period, and
26 one for which the qualified company offers health insurance and pays at least fifty percent
27 of such insurance premiums;

28 (9) "Local incentives", the present value of the dollar amount of direct benefit
29 received by a qualified company for a project facility from one or more local political
30 subdivisions, but this term shall not include loans or other funds provided to the qualified
31 company that shall be repaid by the qualified company to the political subdivision;

32 (10) "NAICS" or "NAICS industry classification", the classification provided by
33 the most recent edition of the North American Industry Classification System as prepared
34 by the Executive Office of the President, Office of Management and Budget;

35 (11) "New capital investment", shall include costs incurred by the qualified
36 company at the project facility after acceptance by the qualified company of the proposal
37 for benefits from the department or the approval notice of intent, whichever occurs first,
38 for real or personal property, and may include the value of finance or capital leases for real
39 or personal property for the term of such lease at the project facility executed after
40 acceptance by the qualified company of the proposal for benefits from the department or
41 the approval of the notice of intent;

42 (12) "New direct local revenue", the present value of the dollar amount of direct
43 net new tax revenues of the local political subdivisions likely to be produced by the project
44 over a ten-year period as calculated by the department, excluding local earnings tax, and
45 net new utility revenues, provided the local incentives include a discount or other direct
46 incentives from utilities owned or operated by the political subdivision;

47 (13) "New job", the number of full-time employees located at the project facility
48 that exceeds the project facility base employment less any decrease in the number of full-
49 time employees at related facilities below the related facility base employment. No job that
50 was created prior to the date of the notice of intent shall be deemed a new job. An
51 employee that spends less than fifty percent of the employee's work time at the facility shall

52 be considered to be located at a facility if the employee receives his or her directions and
53 control from that facility, is on the facility's payroll, one hundred percent of the employee's
54 income from such employment is Missouri income, and the employee is paid at or above
55 the applicable percentage of the county average wage;

56 (14) "New payroll", the amount of wages paid for all new jobs, excluding owners
57 of the qualified company unless the qualified company is participating in an employee
58 stock ownership plan, located at the project facility during the qualified company's tax
59 year that exceeds the project facility base payroll;

60 (15) "Notice of intent", a form developed by the department and available online,
61 completed by the qualified company, and submitted to the department stating the qualified
62 company's intent to request benefits under this program;

63 (16) "Percent of local incentives", the amount of local incentives divided by the
64 amount of new direct local revenue;

65 (17) "Program", the Missouri works program established in sections 620.2000 to
66 620.2020;

67 (18) "Project facility", the building or buildings used by a qualified company at
68 which new or retained jobs and any new capital investment are or will be located. A
69 project facility may include separate buildings located within sixty miles of each other such
70 that their purpose and operations are interrelated; provided that where the buildings
71 making up the project facility are not located within the same county, the average wage of
72 the new payroll shall exceed the applicable percentage of the highest county average wage
73 among the counties in which the buildings are located. Upon approval by the department,
74 a subsequent project facility may be designated if the qualified company demonstrates a
75 need to relocate to the subsequent project facility at any time during the project period;

76 (19) "Project facility base employment", the greater of the number of full-time
77 employees located at the project facility on the date of the notice of intent or, for the twelve-
78 month period prior to the date of the notice of intent, the average number of full-time
79 employees located at the project facility. In the event the project facility has not been in
80 operation for a full twelve-month period, the average number of full-time employees for
81 the number of months the project facility has been in operation prior to the date of the
82 notice of intent;

83 (20) "Project facility base payroll", the total amount of wages paid by the qualified
84 company to full-time employees of the qualified company located at the project facility in
85 the twelve months prior to the notice of intent, not including the payroll of the owners of
86 the qualified company unless the qualified company is participating in an employee stock
87 ownership plan. For purposes of calculating the benefits under this program, the amount

88 of base payroll shall increase each year based on an appropriate measure, as determined
89 by the department;

90 (21) "Project period", the time period within which benefits are awarded to a
91 qualified company or within which the qualified company is obligated to perform under
92 an agreement with the department, whichever is greater;

93 (22) "Projected net fiscal benefit", the total fiscal benefit to the state less any state
94 benefits offered to the qualified company, as determined by the department;

95 (23) "Qualified company", a firm, partnership, joint venture, association, private
96 or public corporation whether organized for profit or not, or headquarters of such entity
97 registered to do business in Missouri that is the owner or operator of a project facility,
98 offers health insurance to all full-time employees of all facilities located in this state, and
99 pays at least fifty percent of such insurance premiums. For the purposes of sections
100 620.2000 to 620.2020, the term "qualified company" shall not include:

101 (a) Gambling establishments (NAICS industry group 7132);

102 (b) Retail trade establishments (NAICS sectors 44 and 45), except with respect to
103 any company headquartered in this state with a majority of its full-time employees engaged
104 in operations not within the NAICS codes specified in this subdivision;

105 (c) Food and drinking places (NAICS subsector 722);

106 (d) Public utilities (NAICS 221 including water and sewer services);

107 (e) Any company that is delinquent in the payment of any nonprotested taxes or
108 any other amounts due the state or federal government or any other political subdivision
109 of this state;

110 (f) Any company requesting benefits for retained jobs that has filed for or has
111 publicly announced its intention to file for bankruptcy protection. However, a company
112 that has filed for or has publicly announced its intention to file for bankruptcy, may be a
113 qualified company provided that such company:

114 a. Certifies to the department that it plans to reorganize and not to liquidate; and

115 b. After its bankruptcy petition has been filed, it produces proof, in a form and at
116 times satisfactory to the department, that it is not delinquent in filing any tax returns or
117 making any payment due to the state of Missouri, including but not limited to all tax
118 payments due after the filing of the bankruptcy petition and under the terms of the plan
119 of reorganization.

120

121 Any taxpayer who is awarded benefits under this subsection and who files for bankruptcy
122 under Chapter 7 of the United States Bankruptcy Code, Title 11 U.S.C., shall immediately
123 notify the department and shall forfeit such benefits and shall repay the state an amount

124 equal to any state tax credits already redeemed and any withholding taxes already
125 retained;

126 (g) Educational services (NAICS sector 61);

127 (h) Religious organizations (NAICS industry group 8131);

128 (i) Public administration (NAICS sector 92);

129 (j) Ethanol distillation or production; or

130 (k) Biodiesel production.

131

132 Notwithstanding any provision of this section to the contrary, the headquarters,
133 administrative offices, or research and development facilities of an otherwise excluded
134 business may qualify for benefits if the offices or facilities serve a multistate territory. In
135 the event a national, state, or regional headquarters operation is not the predominant
136 activity of a project facility, the jobs and investment of such operation shall be considered
137 eligible for benefits under this section if the other requirements are satisfied;

138 (24) "Related company", shall mean:

139 (a) A corporation, partnership, trust, or association controlled by the qualified
140 company;

141 (b) An individual, corporation, partnership, trust, or association in control of the
142 qualified company; or

143 (c) Corporations, partnerships, trusts or associations controlled by an individual,
144 corporation, partnership, trust, or association in control of the qualified company. As used
145 in this paragraph, "control of a qualified company" shall mean:

146 a. Ownership, directly or indirectly, of stock possessing at least fifty percent of the
147 total combined voting power of all classes of stock entitled to vote in the case of a qualified
148 company that is a corporation;

149 b. Ownership of at least fifty percent of the capital or profits interest in such
150 qualified company if it is a partnership or association;

151 c. Ownership, directly or indirectly, of at least fifty percent of the beneficial interest
152 in the principal or income of such qualified company if it is a trust, and ownership shall
153 be determined as provided in Section 318 of the Internal Revenue Code of 1986, as
154 amended;

155 (25) "Related facility", a facility operated by the qualified company or a related
156 company located in this state that is directly related to the operations of the project facility
157 or in which operations substantially similar to the operations of the project facility are
158 performed;

(26) "Related facility base employment", the greater of the number of full-time employees located at all related facilities on the date of the notice of intent or, for the twelve-month period prior to the date of the notice of intent, the average number of full-time employees located at all related facilities of the qualified company or a related company located in this state;

(27) "Related facility base payroll", the total amount of taxable wages paid by the qualified company to full-time employees of the qualified company located at a related facility in the twelve months prior to the filing of the notice of intent, not including the payroll of the owners of the qualified company unless the qualified company is participating in an employee stock ownership plan. For purposes of calculating the benefits under this program, the amount of related facility base payroll shall increase each year based on an appropriate measure, as determined by the department;

(28) "Retained job", the average number of full-time employees of a qualified company located at the project facility during each month for the calendar year preceding the year in which the notice of intent is submitted;

(29) "Rural area", a county in Missouri with a population less than seventy-five thousand or that does not contain an individual city with a population greater than fifty thousand according to the most recent federal decennial census;

(30) "Targeted industry", an industry or one of a cluster of industries identified by the department, by rule following a strategic planning process, as being critical to the state's economic security and growth;

(31) "Tax credits", tax credits issued by the department to offset the state taxes imposed by chapters 143 and 148, or which may be sold or refunded as provided for in this program; and

(32) "Withholding tax", the state tax imposed by sections 143.191 to 143.265. For purposes of this program, the withholding tax shall be computed using a schedule as determined by the department based on average wages.

620.2010. 1. In exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created, a qualified company shall be eligible to receive the following benefits under this program:

(1) A qualified company may, for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, retain an amount equal to the withholding tax as calculated under subdivision (32) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 if:

10 (a) The qualified company creates twenty or more new jobs, and the average wage
11 of the new payroll equals or exceeds ninety percent of the county average wage;

12 (b) The qualified company is in a targeted industry and creates ten or more new
13 jobs, and the average wage of the new payroll equals or exceeds ninety percent of the
14 county average wage; or

15 (c) The qualified company creates two or more new jobs at a project facility located
16 within a zone designated under sections 135.950 to 135.963, the average wage of the new
17 payroll equals or exceeds eighty percent of the county average wage, and the qualified
18 company commits to making at least one hundred thousand dollars in new capital
19 investment at the project facility within two years of approval;

20 (2) In addition to any other benefits available under this subsection, a qualified
21 company that satisfies paragraph (a) of subdivision (1) of this subsection shall also be
22 entitled to tax credits issued each year for a period of five years from the date the new jobs
23 are created in an amount not to exceed two percent of new payroll; provided that in no
24 event may the total amount of benefits provided to a qualified company under this
25 subsection exceed five percent of the new payroll in any calendar year;

26 (3) In addition to any other benefits available under this subsection, a qualified
27 company that satisfies paragraph (b) of subdivision (1) of this subsection shall also be
28 entitled to tax credits issued each year for a period of five years from the date the new jobs
29 are created in an amount not to exceed three percent of new payroll; provided that in no
30 event may the total amount of benefits provided to a qualified company under this
31 subsection exceed six percent of the new payroll in any calendar year.

32 2. In addition to any benefits available under subsection 1 of this section, the
33 department may award additional tax credits issued each year for a period of five years
34 from the date the new jobs are created as follows:

35 (1) A qualified company that satisfies paragraph (a) of subdivision (1) of subsection
36 1 of this section may be awarded tax credits in an amount not to exceed four percent of new
37 payroll; provided that in no event may the total amount of benefits awarded to a qualified
38 company under this section exceed nine percent of new payroll in any calendar year;

39 (2) A qualified company that satisfies paragraph (b) of subdivision (1) of subsection
40 1 of this section may be awarded tax credits in an amount not to exceed six percent of new
41 payroll; provided that in no event may the total amount of benefits provided to the
42 qualified company under this section exceed twelve percent of new payroll in any calendar
43 year;

44 (3) The amount of tax credits awarded to a qualified company under this subsection
45 shall not exceed the projected net fiscal benefit to the state, as determined by the

46 department, and shall not exceed the least amount necessary to obtain the qualified
47 company's commitment to initiate the project. No benefits shall be available under this
48 subsection for any qualified company that has performed significant, project-specific site
49 work at the project facility or has publicly announced its intention to create new jobs or
50 make new capital investment at the project facility prior to approval of its notice of intent;

51 (4) In determining the amount of tax credits to award to a qualified company under
52 this subsection, the department shall consider the following factors:

53 (a) The significance of the qualified company's need for program benefits;

54 (b) The amount of projected net fiscal benefit to the state of the project and the
55 period in which the state would realize such net fiscal benefit;

56 (c) The overall size and quality of the proposed project, including the number of
57 new jobs, new capital investment, proposed wages, growth potential of the qualified
58 company, the potential multiplier effect of the project, and similar factors;

59 (d) The financial stability and creditworthiness of the qualified company;

60 (e) The level of economic distress in the area;

61 (f) An evaluation of the competitiveness of alternative locations for the project
62 facility, as applicable; and

63 (g) The percent of local incentives committed;

64 (5) Upon approval of a notice of intent to receive tax credits under this subsection,
65 the department and the qualified company shall enter into a written agreement covering
66 the applicable project period. The agreement shall specify, at a minimum:

67 (a) The committed number of new jobs, new payroll, and new capital investment
68 for each year during the project period;

69 (b) The date or time period during which the tax credits shall be issued, which may
70 be immediately or over a period not to exceed two years from the date of approval of the
71 notice of intent;

72 (c) Clawback provisions, as may be required by the department; and

73 (d) Any other provisions the department may require.

74 3. In lieu of all other benefits provided under subsections 1 and 2 of this section,
75 and in exchange for the consideration provided by the new tax revenues and other
76 economic stimuli that will be generated by the new jobs created by the program, a qualified
77 company that creates five or more jobs in a rural area may, for a period of three years
78 from the date the new jobs were created, retain an amount equal to the withholding tax as
79 calculated under subdivision (32) of section 620.2005 from the new jobs that would
80 otherwise be withheld and remitted by the qualified company under the provisions of
81 sections 143.191 to 143.265 if the average wage of the new payroll equals or exceeds ninety

82 percent of the county average wage. Available under this program, the department may
83 authorize a qualified company meeting the requirements of this subsection and subsection
84 1 of this section to be issued tax credits, subject to a written agreement entered into by the
85 qualified company and the department containing detailed performance requirements and
86 repayment penalties in the event of nonperformance.

620.2015. 1. In exchange for the consideration provided by the tax revenues and
2 other economic stimuli that will be generated by the retention of jobs and the making of
3 new capital investment in this state, a qualified company may be eligible to receive the
4 benefits described in this section if the department determines that there is a significant
5 probability that the qualified company would relocate to another state in the absence of
6 the benefits authorized under this section. In no event shall the total amount of benefits
7 available to all qualified companies under this section exceed six million dollars in any
8 fiscal year.

9 2. A qualified company meeting the requirements of this section may be authorized
10 to retain an amount not to exceed one hundred percent of the withholding tax from full-
11 time jobs that would otherwise be withheld and remitted by the qualified company under
12 the provisions of sections 143.191 to 143.265, for a period of ten years if the average wage
13 of the retained jobs equals or exceeds ninety percent of the county average wage. In order
14 to receive benefits under this section, a qualified company shall enter into written
15 agreement with the department containing detailed performance requirements and
16 repayment penalties in event of nonperformance. The amount of benefits awarded to a
17 qualified company under this section shall not exceed the projected net fiscal benefit and
18 shall not exceed the least amount necessary to obtain the qualified company's commitment
19 to retain the necessary number of jobs and make the required new capital investment.

20 3. In order to be eligible to receive benefits under this section, the qualified
21 company shall meet each of the following conditions:

22 (1) The qualified company shall agree to retain, for a period of ten years from the
23 date of approval of the notice of intent, at least one hundred twenty-five retained jobs; and

24 (2) The qualified company shall agree to make a new capital investment at the
25 project facility within three years of the approval in an amount equal to one-half the total
26 benefits, available under this section, which are offered to the qualified company by the
27 department.

28 4. In awarding benefits under this section, the department shall consider the factors
29 set forth in subsection 2 of section 620.2010.

30 **5. Upon approval of a notice of intent to request benefits under this section, the**
31 **department and the qualified company shall enter into a written agreement covering the**
32 **applicable project period. The agreement shall specify, at a minimum:**

33 **(1) The committed number of retained jobs, payroll, and new capital investment**
34 **for each year during the project period;**

35 **(2) Clawback provisions, as may be required by the department; and**

36 **(3) Any other provisions the department may require.**

620.2020. 1. The department shall respond to a written request, by or on behalf of
2 **a qualified company, for a proposed benefit award under the provisions of this program**
3 **within five business days of receipt of such request. Such response shall contain either a**
4 **proposal of benefits for the qualified company, or a written response refusing to provide**
5 **such a proposal and stating the reasons for such refusal. A qualified company that intends**
6 **to seek benefits under the program shall submit to the department a notice of intent. The**
7 **department shall respond within thirty days to a notice of intent with an approval or a**
8 **rejection, provided that the department may withhold approval or provide a contingent**
9 **approval until it is satisfied that proper documentation of eligibility has been provided.**
10 **Failure to respond on behalf of the department shall result in the notice of intent being**
11 **deemed approved. A qualified company receiving approval for program benefits may**
12 **receive additional benefits for subsequent new jobs at the same facility after the full initial**
13 **project period if the applicable minimum job requirements are met. There shall be no**
14 **limit on the number of project periods a qualified company may participate in the**
15 **program, and a qualified company may elect to file a notice of intent to begin a new project**
16 **period concurrent with an existing project period if the applicable minimum job**
17 **requirements are achieved, the qualified company provides the department with the**
18 **required annual reporting, and the qualified company is in compliance with this program**
19 **and any other state programs in which the qualified company is currently or has**
20 **previously participated. However, the qualified company shall not receive any further**
21 **program benefits under the original approval for any new jobs created after the date of the**
22 **new notice of intent, and any jobs created before the new notice of intent shall not be**
23 **included as new jobs for purposes of the benefit calculation for the new approval. When**
24 **a qualified company has filed and received approval of a notice of intent and subsequently**
25 **files another notice of intent, the department shall apply the definition of project facility**
26 **under subdivision (18) of section 620.2005 to the new notice of intent as well as all**
27 **previously approved notices of intent and shall determine the application of the definitions**
28 **of new job, new payroll, project facility base employment, and project facility base payroll**
29 **accordingly.**

30 **2. Notwithstanding any provision of law to the contrary, the benefits available to**
31 **the qualified company under any other state programs for which the company is eligible**
32 **and which utilize withholding tax from the new or retained jobs of the company shall first**
33 **be credited to the other state program before the withholding retention level applicable**
34 **under this program will begin to accrue. If any qualified company also participates in a**
35 **job training program utilizing withholding tax, the company shall retain no withholding**
36 **tax under this program, but the department shall issue a refundable tax credit for the full**
37 **amount of benefit allowed under this program. The calendar year annual maximum**
38 **amount of tax credits which may be issued to a qualifying company that also participates**
39 **in a job training program shall be increased by an amount equivalent to the withholding**
40 **tax retained by that company under a jobs training program.**

41 **3. A qualified company receiving benefits under this program shall provide an**
42 **annual report of the number of jobs and such other information as may be required by the**
43 **department to document the basis for program benefits available. In such annual report,**
44 **if the average wage is below the applicable percentage of the county average wage, the**
45 **qualified company has not maintained the employee insurance as required, or if the**
46 **number of jobs is below the number required, the qualified company shall not receive tax**
47 **credits or retain the withholding tax for the balance of the project period.**

48 **4. The department may withhold the approval of any benefits under this program**
49 **until it is satisfied that proper documentation has been provided, and shall reduce the**
50 **benefits to reflect any reduction in full-time employees or payroll. Upon approval by the**
51 **department, the qualified company may begin the retention of the withholding taxes when**
52 **it reaches the required number of jobs and the average wage meets or exceeds the**
53 **applicable percentage of county average wage. Tax credits, if any, may be issued upon**
54 **satisfaction by the department that the qualified company has exceeded the applicable**
55 **percentage of county average wage and the required number of jobs.**

56 **5. Any qualified company approved for benefits under this program shall provide**
57 **to the department, upon request, any and all information and records reasonably required**
58 **to monitor compliance with program requirements. This program shall be considered a**
59 **business recruitment tax credit under subdivision (4) of subsection 2 of section 135.800,**
60 **and any qualified company approved for benefits under this program shall be subject to**
61 **the provisions of section 135.800 to 135.830.**

62 **6. Any taxpayer who is awarded benefits under this program who knowingly hires**
63 **individuals who are not allowed to work legally in the United States shall immediately**
64 **forfeit such benefits and shall repay the state an amount equal to any state tax credits**
65 **already redeemed and any withholding taxes already retained.**

66 **7. The maximum amount of tax credits that may be authorized under this program**
67 **for any fiscal year shall be limited as follows, less the amount of any tax credits previously**
68 **obligated for that fiscal year under any of the tax credit programs referenced in subsection**
69 **13 of this section:**

70 **(1) For the fiscal year beginning on July 1, 2012, but ending on or before June 30,**
71 **2013, no more than one hundred and eleven million dollars in tax credits may be**
72 **authorized;**

73 **(2) For the fiscal year beginning on July 1, 2013, but ending on or before June 30,**
74 **2014, no more than one hundred and twenty-six million dollars in tax credits may be**
75 **authorized; and**

76 **(3) For any fiscal year beginning on or after July 1, 2014, no more than one**
77 **hundred and forty-one million dollars in tax credits may be authorized for each fiscal year.**

78
79 **The provisions of this subsection shall not be construed to limit the amount of tax credits**
80 **which may be issued for projects which, prior to the effective date of this act, have received**
81 **a proposal or approval from the department for benefits under any of the tax credit**
82 **programs referenced in subsection 13 of this section.**

83 **8. For tax credits for the creation of new jobs under section 620.2010, the**
84 **department shall allocate the annual tax credits based on the date of the approval,**
85 **reserving such tax credits based on the department's best estimate of new jobs and new**
86 **payroll of the project, and any other applicable factors in determining the amount of**
87 **benefits available to the qualified company under this program. However, the annual**
88 **issuance of tax credits shall be subject to annual verification of actual payroll by the**
89 **department. Any authorization of tax credits shall expire if, within two years from the date**
90 **of commencement of operations, or approval if applicable, the qualified company has failed**
91 **to meet the applicable minimum job requirements. The qualified company may retain**
92 **authorized amounts from the withholding tax under the project once the applicable**
93 **minimum job requirements have been met for the duration of the project period. No**
94 **benefits shall be provided under this program until the qualified company meets the**
95 **applicable minimum new job requirements. In the event the qualified company does not**
96 **meet the applicable minimum new job requirements, the qualified company may submit**
97 **a new notice of intent or the department may provide a new approval for a new project of**
98 **the qualified company at the project facility or other facilities.**

99 **9. Tax credits provided under this program may be claimed against taxes otherwise**
100 **imposed by chapters 143 and 148, and may not be carried forward, but shall be claimed**
101 **within one year of the close of the taxable year for which they were issued. Tax credits**

provided under this program may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. For a qualified company with flow-through tax treatment to its members, partners, or shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the qualified company's tax period.

10. Prior to the issuance of tax credits or the qualified company beginning to retain withholding taxes, the department shall verify through the department of revenue and any other applicable state department, that the tax credit applicant does not owe any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments levied by any state department and through the department of insurance, financial institutions and professional registration that the applicant does not owe any delinquent insurance taxes or other fees. Such delinquency shall not affect the approval, except that any tax credits issued shall be first applied to the delinquency and any amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue, the department of insurance, financial institutions and professional registration, or any other state department concludes that a taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the administering agency shall notify the appropriate department and that department shall update the amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

11. The director of revenue shall issue a refund to the qualified company to the extent that the amount of tax credits allowed under this program exceeds the amount of the qualified company's tax liability under chapter 143 or 148.

12. An employee of a qualified company shall receive full credit for the amount of tax withheld as provided in section 143.211.

13. Notwithstanding any provision of law to the contrary, beginning August 28, 2012, no new benefits shall be authorized for any project that had not received from the department a proposal or approval for such benefits prior to August 28, 2012, the development tax credit program created under sections 32.100 to 32.125, the rebuilding

communities tax credit program created under section 135.535, the enhanced enterprise zone tax credit program created under sections 135.950 to 135.973, and the Missouri quality jobs program created under sections 620.1875 to 620.1890. The provisions of this subsection shall not be construed to limit or impair the ability of any administering agency to authorize or issue benefits for any project that had received an approval or a proposal from the department under any of the programs referenced in this subsection prior to August 28, 2012, or the ability of any taxpayer to redeem any such tax credits or to retain any withholding tax under an approval issued prior to that date. The provisions of this subsection shall not be construed to limit or in any way impair the ability of any governing authority to provide any local abatement or designate a new zone under the enhanced enterprise zone program created by sections 135.950 to 135.963. Notwithstanding any provision of law to the contrary, no qualified company that is awarded benefits under this program shall simultaneously receive benefits under the programs referenced in this subsection at the same project facility.

14. If any provision of sections 620.2000 to 620.2020 or application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or application of these sections which can be given effect without the invalid provisions or application, and to this end, the provisions of sections 620.2000 to 620.2020 are hereby declared severable.

15. By no later than January 1, 2013, and the first day of each calendar quarter thereafter, the department shall present a quarterly report to the general assembly detailing the benefits authorized under this program during the immediately preceding calendar quarter to the extent such information may be disclosed under state and federal law. The report shall include, at a minimum:

- (1) A list of all approved and disapproved applicants for each tax credit;
- (2) A list of the aggregate amount of new or retained jobs that are directly attributable to the tax credits authorized;
- (3) A statement of the aggregate amount of new capital investment directly attributable to the tax credits authorized;
- (4) Documentation of the estimated net state fiscal benefit for each authorized project and, to the extent available, the actual benefit realized upon completion of such project or activity; and
- (5) The department's response time for each request for a proposed benefit award under this program.

16. The department may adopt such rules, statements of policy, procedures, forms, and guidelines as may be necessary to carry out the provisions of sections 620.2000 to

174 **620.2020. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
175 **created under the authority delegated in this section shall become effective only if it**
176 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
177 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
178 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
179 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
180 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2012,**
181 **shall be invalid and void.**

182 **17. Under section 23.253 of the Missouri sunset act:**

183 **(1) The provisions of the new program authorized under sections 620.2000 to**
184 **620.2020 shall automatically sunset six years after the effective date of this section unless**
185 **reauthorized by an act of the general assembly; and**

186 **(2) If such program is reauthorized, the program authorized under this section**
187 **shall automatically sunset twelve years after the effective date of this reauthorization of**
188 **sections 620.2000 to 620.2020; and**

189 **(3) Sections 620.2000 to 620.2020 shall terminate on September first of the calendar**
190 **year immediately following the calendar year in which the program authorized under**
191 **sections 620.2000 to 620.2020 is sunset.**

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